

**REMEDY PAYMENTS TABLE FOR MEASUREMENTS**

**Per Occurrence**

Measurement Group	
High	\$1500
Medium	\$900
Low	\$600

The remedy payments due from Verizon to AT&T shall not exceed the Per Measurement/Per Occurrence Caps amounts set forth in this Attachment A-4.

**Per Measurement<sup>28</sup>/Per Occurrence<sup>29</sup> Caps<sup>30</sup>**

<sup>28</sup>

The “Per Measurement” (“pay per measure”) amounts set out in this Attachment A-4 apply to Bell Atlantic’s performance for all competitive local exchange carriers in the Bell Atlantic service area of Virginia, in the aggregate. Accordingly, for Metrics PO-1, PO-2 and BI-2, the Per Measurement amount that applies to AT&T for a measure will be a percentage of the applicable Per Measurement amount stated in this Attachment A-4 that is equal to the AT&T percentage of all UNE and Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Virginia. For Metric OR-5-01, “% Flow Through Total,” “All Resale,” the Per Measurement amount that applies to AT&T will be a percentage of the applicable Per Measurement amount stated in this Attachment A-4 that is equal to the AT&T percentage of all Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Virginia. For Metric OR-5-01, “% Flow Through Total,” “All UNE,” the Per Measurement amount that applies to AT&T will be a percentage of the applicable Per Measurement amount stated in this Attachment A-4 that is equal to the AT&T percentage of all UNE lines provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Virginia.

For instance, for Metric PO-1-01, “OSS Resp. Time – CSR,” “EDI,” if 10% of the UNE and Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Virginia (a “Measurement Group A” state) are provided to AT&T, the Per Measurement amount applicable to AT&T for this measure (a “Low” measure) would be 10% of \$60,000, or \$6000. Similarly, for Metric BI-2-01, “Timeliness of Carrier Bill,” if 30% of the UNE and Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Virginia (a “Measurement Group A” state) are provided to AT&T, the Per Measurement amount applicable to AT&T for this measure (a “Low” measure) would be 30% of \$60,000, or \$18,000.

For purposes of this calculation, UNE lines include UNE-Platform lines, and all types of UNE loops and UNE IOF, and Resale lines include Resale lines and Resale circuits. The number of lines in service used for the financial remedy calculation will be based on the most recent lines in service data available at the time the calculation is performed. Notwithstanding anything else in this Schedule 26.4, AT&T shall be eligible for payments only with respect to “Per Measurement” measures for which there is measured AT&T activity (for example, if AT&T has no CORBA transactions, it would not be eligible for a payment with respect to any of the PO-1 or PO-2 measures that measure CORBA performance).

<sup>29</sup>

The “Per Occurrence Caps” in this Attachment A-4 apply to Bell Atlantic’s performance for all competitive local exchange carriers in the Bell Atlantic service area of Virginia, in the aggregate. Accordingly, for “per occurrence with a cap” measures, the cap that applies to AT&T for each measure will be a percentage of the applicable cap stated in this Attachment A-4 that is equal to the AT&T percentage of the measured observations for the measure for all competitive local exchange carriers in the Bell Atlantic service area of Virginia, for the three month remedy calculation period.

For example, for Metric OR-1-02, “% On Time LSRC – Flow Through,” “Resale POTS” (a “Low” per occurrence with a cap measure), if 10% of all LSRs measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Virginia (a “Measurement Group A” state) for the three month remedy calculation period were AT&T LSRs, the cap applicable to AT&T would be 10% of \$60,000, or \$6000. Similarly, for Metric OR-1-02, “% On Time LSRC – Flow Through,” “UNE Platform” (a “Low” per occurrence with a cap measure) if 35% of all LSRs measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Virginia (a “Measurement Group A” state) for the three month remedy calculation period were AT&T LSRs, the cap applicable to AT&T would be 35% of \$60,000 or \$21,000. For Metric OR-1-12, “% On Time FOC (<= 192 Trunks),” “CLEC Trunks” (a “Low” per occurrence with a cap measure), if 10% of all trunk ASRs measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Virginia (a “Measurement Group A” state) for the three month remedy calculation period were AT&T trunk ASRs, the cap applicable to AT&T would be 10% of \$60,000, or \$6000. Finally, for Metric NP-1-04, “# of Final Trunk Groups Blocked 3 Months,” “BA-CLEC Trunks” (a “High” per occurrence with a cap measure), if 50% of the trunk groups measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Virginia (a “Measurement Group A” state) for the three month remedy calculation period were AT&T trunk groups, the cap applicable to AT&T would be 50% of \$225,000, or \$112,500.

<sup>30</sup>

This chart sets out the Per Measurement/Per Occurrence Caps amounts that apply for the Bell Atlantic service area of Virginia. If this Schedule 26.4 is incorporated into an interconnection agreement for a service area other than the Bell Atlantic

Measurement Group	A
High	\$225,000
Medium	\$90,000
Low	\$60,000

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service area of Virginia (whether by agreement of the Parties, pursuant to a requirement of Applicable Law or Commission or FCC order, or otherwise), this Schedule 26.4 automatically will be revised to adopt the Per Measurement/Per Occurrence Caps amounts applicable to such other service area under the Performance Assurance Plan set out in Appendix D, Attachment A of the Merger Order. A statement of these Per Measurement/Per Occurrence Caps amounts for the Verizon Bell Atlantic service areas as of the effective date of this Agreement is set out in Attachment A-8, End Note 1, attached.

MEASUREMENT LIST

		Metric #	Metric	Product	Standard	Pay per	\$	\$Cap
OSS	Interface	PO-1-01	OSS Resp. Time – CSR	EDI	retail + 4 seconds	measure	Low	Low
		PO-1-01	OSS Resp. Time – CSR	CORBA	retail + 4 seconds	measure	Low	Low
		PO-1-01	OSS Resp. Time – CSR	WEB GUI	retail + 7 seconds	measure	Low	Low
		PO-1-02	OSS Resp. Time - Due Date Avail.	EDI	retail + 4 seconds	measure	Low	Low
		PO-1-02	OSS Resp. Time - Due Date Avail.	CORBA	retail + 4 seconds	measure	Low	Low
		PO-1-02	OSS Resp. Time - Due Date Avail.	WEB GUI	retail + 7 seconds	measure	Low	Low
		PO-1-03	OSS Resp. Time – Address Validation	EDI	retail + 4 seconds	measure	Low	Low
		PO-1-03	OSS Resp. Time – Address Validation	CORBA	retail + 4 seconds	measure	Low	Low
		PO-1-03	OSS Resp. Time – Address Validation	WEB GUI	retail + 7 seconds	measure	Low	Low
		PO-1-04	OSS Resp. Time - Prod. & Svc. Avail.	EDI	retail + 4 seconds	measure	Low	Low
		PO-1-04	OSS Resp. Time - Prod. & Svc. Avail.	CORBA	retail + 4 seconds	measure	Low	Low
		PO-1-04	OSS Resp. Time - Prod. & Svc. Avail.	WEB GUI	retail + 7 seconds	measure	Low	Low
		PO-1-05	OSS Resp. Time - TN Reservation	EDI	retail + 4 seconds	measure	Low	Low
		PO-1-05	OSS Resp. Time - TN Reservation	CORBA	retail + 4 seconds	measure	Low	Low
		PO-1-05	OSS Resp. Time - TN Reservation	WEB GUI	retail + 7 seconds	measure	Low	Low
		PO-1-06	OSS Resp. Time - Loop Qualification	EDI	retail + 4 seconds	measure	Low	Low
		PO-1-06	OSS Resp. Time - Loop Qualification	CORBA	retail + 4 seconds	measure	Low	Low
		PO-1-06	OSS Resp. Time - Loop Qualification	WEB GUI	retail + 7 seconds	measure	Low	Low
		PO-2-02	OSS Availability - Prime	EDI	99.50%	measure	Medium/High <sup>31</sup>	Medium/High
		PO-2-02	OSS Availability-Prime	WEBGUI	99.50%	measure	Medium/High	Medium/High
		PO-2-02	OSS Availability –Prime	CORBA	99.50%	measure	Medium/High	Medium/High
	Billing	BI-2-01	Timeliness of Carrier Bill		98% in 10 Bus. Days	measure	Low	Low

31

OSS Availability = Medium \$ for 97.5% to < 99.5% availability, High \$ for < 97.5% availability

**MEASUREMENT LIST**

		<b>Metric #</b>	<b>Metric</b>	<b>Product</b>	<b>Standard</b>	<b>Pay per</b>	<b>\$</b>	<b>\$Cap</b>
<b>Resale</b>	<b>Ordering</b>	OR-1-02	% On Time LSRC - Flow Through	POTS	95% in 2 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	POTS	95% in 24 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	ISDN	95% in 72 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	ADSL	95% in 72 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	Specials	95% in 48 Hours	occurrence	\$600	Low
		OR-1-06	% On Time LSRC - >= 10 Lines (E)	POTS	95% in 72 Hours	occurrence	\$600	Low
		OR-1-06	% On Time LSRC - >= 10 Lines (E)	Specials	95% in 72 Hours	occurrence	\$600	Low
		OR-2-02	% On Time LSR Reject - Flow -Thru	POTS	95% in 2 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	POTS	95% in 24 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	ISDN	95% in 72 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	ADSL	95% in 72 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	Specials	95% in 48 Hours	occurrence	\$600	Low
		OR-2-06	% On Time LSR Reject - >= 10 Lines	POTS	95% in 72 Hours	occurrence	\$600	Low
		OR-2-06	% On Time LSR Reject - >= 10 Lines	Specials	95% in 72 Hours	occurrence	\$600	Low
		OR-5-01	% Flow Through - Total	All Resale	TBD	Measure	Medium	Medium
	<b>Provisioning</b>	PR-3-08	% Completed w/in 5 Days (1-5 lines) - No Dispatch	POTS	parity with retail	occurrence	\$900	
		PR-3-09	% Completed w/in 5 Days (1-5 lines) - Dispatch	POTS	parity with retail	occurrence	\$900	
		PR-4-01	% Missed Appt. - BA - Total	Specials	parity with retail	occurrence	\$900	
		PR-4-02	Average Delay Days - Total	POTS	parity with retail	occurrence	\$900	
		PR-4-02	Average Delay Days - Total	ISDN	parity with retail	occurrence	\$900	
		PR-4-02	Average Delay Days - Total	ADSL	parity with retail	occurrence	\$900	
		PR-4-02	Average Delay Days - Total	Specials	parity with retail	occurrence	\$900	
		PR-4-04	% Missed Appt. - Dispatch	POTS	parity with retail	occurrence	\$900	
		PR-4-04	% Missed Appt. - Dispatch	ISDN	parity with retail	occurrence	\$900	
		PR-4-04	% Missed Appt. - Dispatch	ADSL	parity with retail	occurrence	\$900	
		PR-4-05	% Missed Appt. - No Dispatch	POTS	parity with retail	occurrence	\$900	
		PR-4-05	% Missed Appt. - No Dispatch	ISDN	parity with retail	occurrence	\$900	
		PR-4-05	% Missed Appt. - No Dispatch	ADSL	parity with retail	occurrence	\$900	

### MEASUREMENT LIST

		Metric #	Metric	Product	Standard	Pay per	\$	\$Cap
Resale Continued	Provisioning (continued)	PR-5-03	% Orders Missed-Facilities > 60 Days	POTS	parity with retail	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	Specials	parity with retail	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	ISDN	parity with retail	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	ADSL	parity with retail	occurrence	\$1,500	
		PR-6-01	% Install. Troubles Rept. W/in 30 Days	Specials	parity with retail	occurrence	\$600	
		PR-6-02	% Install. Troubles Rept. W/in 7 Days	POTS	parity with retail	occurrence	\$600	
	Maintenance	MR-2-01	Network Trouble Report Rate (Total)	Specials	parity with retail	Occurrence	\$600	
		MR-2-02	Network Trouble Report Rate (Loop)	POTS	parity with retail	Occurrence	\$600	
		MR-2-03	Network Trouble Report Rate (CO)	POTS	parity with retail	Occurrence	\$600	
		MR-3-01	% Missed Repair Appt. (Loop)	POTS	parity with retail	Occurrence	\$900	
		MR-3-02	% Missed Repair Appt. (CO)	POTS	parity with retail	Occurrence	\$900	
		MR-4-01	Mean Time to Repair (Total)	Specials	parity with retail	Occurrence	\$600	
		MR-4-02	Mean Time to Repair (Loop)	POTS	parity with retail	Occurrence	\$600	
		MR-4-03	Mean Time to Repair (Central Office)	POTS	parity with retail	Occurrence	\$600	
		MR-4-08	% OOS > 24 Hours	POTS	parity with retail	Occurrence	\$900	
		MR-4-08	% OOS > 24 Hours	Specials	parity with retail	Occurrence	\$900	
		MR-5-01	% Repeat Reports w/in 30 Days	POTS	parity with retail	Occurrence	\$900	
		MR-5-01	% Repeat Reports w/in 30 Days	Specials	parity with retail	Occurrence	\$900	

**Schedule 26.4  
Attachment A-5**

		<b>Metric #</b>	<b>Metric</b>	<b>Product</b>	<b>Standard</b>	<b>Pay per</b>	<b>\$</b>	<b>\$Cap</b>
<b>UNE</b>	<b>Ordering</b>	OR-1-02	% On Time LSRC – Flow Through	PLATFORM	95% in 2 Hours	occurrence	\$600	Low
		OR-1-02	% On Time LSRC – Flow Through	LOOP	95% in 2 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	PLATFORM	95% in 24 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	LOOP	95% in 24 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	2 wire digital	95% in 72 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	2 wire xdsl	95% in 72 Hours	occurrence	\$600	Low
		OR-1-04	% On Time LSRC - < 10 Lines (E)	Total Spec.	95% in 48 Hours	occurrence	\$600	Low
		OR-1-06	% On Time LSRC - >= 10 Lines (E)	PLATFORM	95% in 72 Hours	occurrence	\$600	Low
		OR-1-06	% On Time LSRC - >= 10 Lines (E)	LOOP	95% in 72 Hours	occurrence	\$600	Low
		OR-1-06	% On Time LSRC - >= 10 Lines (E)	Total Spec.	95% in 72 Hours	occurrence	\$600	Low
		OR-1-19	% On Time Response – Request for Inbound Augment Trunks	Inbound Trunks	95% in 10 days	occurrence	\$600	Low
		OR-2-02	% On Time LSR Reject - Flow –Thru	PLATFORM	95% in 2 Hours	occurrence	\$600	Low
		OR-2-02	% On Time LSR Reject - Flow –Thru	LOOP	95% in 2 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	PLATFORM	95% in 24 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	LOOP	95% in 24 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	2 wire digital	95% in 72 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	2 wire xdsl	95% in 72 Hours	occurrence	\$600	Low
		OR-2-04	% On Time LSR Reject - < 10 Lines	Specials	95% in 48 Hours	occurrence	\$600	Low
		OR-2-06	% On Time LSR Reject - >= 10 Lines	PLATFORM	95% in 72 Hours	occurrence	\$600	Low
		OR-2-06	% On Time LSR Reject - >= 10 Lines	LOOP	95% in 72 Hours	occurrence	\$600	Low
		OR-2-06	% On Time LSR Reject - >= 10 Lines	Specials	95% in 72 Hours	occurrence	\$600	Low
		OR-5-01	% Flow Through – Total	All UNE	TBD	Measure	Medium	Medium
	<b>Provisioning</b>	PR-3-08	% Completed w/in 5 Days (1-5 lines) – No Dispatch	Platform	parity with retail POTS	occurrence	\$600	
		PR-3-09	% Completed w/in 5 Days (1-5 lines) – Dispatch	Platform	parity with retail POTS	occurrence	\$600	
		PR-4-01	% Missed Appt. - BA – Total	EEL	parity with retail tot. specials	occurrence	\$900	
		PR-4-01	% Missed Appt. - BA – Total	IOF	parity with retail tot. specials	occurrence	\$900	
		PR-4-01	% Missed Appt. - BA – Total	Specials	parity with retail tot. specials	occurrence	\$900	

**Schedule 26.4  
Attachment A-5**

		<b>Metric #</b>	<b>Metric</b>	<b>Product</b>	<b>Standard</b>	<b>Pay per</b>	<b>\$</b>	<b>\$Cap</b>
UNE	Provisioning  continued	PR-4-02	Average Delay Days – Total	Platform	parity with retail POTS	occurrence	\$900	
		PR-4-02	Average Delay Days – Total	LOOP	parity with retail POTS	occurrence	\$900	
		PR-4-02	Average Delay Days – Total	2 wire digital	parity with retail 2nd line	occurrence	\$900	
		PR-4-02	Average Delay Days – Total	2 wire xdsl	parity with retail 2nd line	occurrence	\$900	
		PR-4-02	Average Delay Days – Total	EEL	parity with retail tot. specials	occurrence	\$900	
		PR-4-02	Average Delay Days – Total	IOF	parity with retail tot. specials	occurrence	\$900	
		PR-4-02	Average Delay Days – Total	Specials	parity with retail tot. specials	occurrence	\$900	
		PR-4-04	% Missed Appt. – Dispatch	Platform	parity with retail POTS	occurrence	\$900	
		PR-4-04	% Missed Appt. – Dispatch	Loop (no HC)	parity with retail POTS	occurrence	\$900	
		PR-4-05	% Missed Appt. - No Dispatch	Platform	parity with retail POTS	occurrence	\$900	
		PR-4-07	% On Time - UNE LNP	LNP	95%	occurrence	\$900	
		PR-4-10	% Completed On Time – Complex (DD-2 Test & Serial Number)	2 wire digital	Parity with retail 2 <sup>nd</sup> line	occurrence	\$900	
		PR-4-10	% Completed On Time – Complex (DD-2 Test & Serial Number)	2 wire xdsl	Parity with retail 2 <sup>nd</sup> line	occurrence	\$900	
		PR-5-03	% Orders Missed-Facilities > 60 Days	PLATFORM	parity with retail POTS	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	LOOP	parity with retail POTS	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	Specials	parity with retail tot. specials	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	2 wire digital	parity with retail 2nd line	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	2 wire xdsl	parity with retail 2nd line	occurrence	\$1,500	
		PR-6-01	% Install. Troubles Rept. W/in 30 Days	Specials		occurrence	\$600	



**Schedule 26.4  
Attachment A-5**

		<b>Metric #</b>	<b>Metric</b>	<b>Product</b>	<b>Standard</b>	<b>Pay per</b>	<b>\$</b>	<b>\$Cap</b>
<b>UNE</b>	<b>Provisioning</b>  <b>continued</b>	PR-6-01	% Install. Troubles Rept. W/in 30 Days	2 wire digital	parity with retail 2nd line	occurrence	\$600	
		PR-6-01	% Install. Troubles Rept. W/in 30 Days	2 wire xdsl	parity with retail 2nd line	occurrence	\$600	
		PR-6-02	% Install. Troubles Rept. W/in 7 Days	PLATFORM	parity with retail POTS	occurrence	\$600	
		PR-6-02	% Install. Troubles Rept. W/in 7 Days	LOOP	parity with retail POTS	occurrence	\$600	
		PR-6-02	% Install. Troubles Rept. W/in 7 Days	Hot Cut Loop	3%	occurrence	\$900	
		PR-9-01	% On Time - UNE Hot Cut Loop	Hot Cut Loop	95%	occurrence	\$900	
	<b>Maintenance</b>	MR-2-01	Network Trouble Report Rate (Total)	Specials	parity with retail tot. specials	occurrence	\$600	
		MR-2-02	Network Trouble Report Rate (Loop)	PLATFORM	parity with retail POTS/Complex	occurrence	\$600	
		MR-2-02	Network Trouble Report Rate (Loop)	LOOP	parity with retail POTS/Complex	occurrence	\$600	
		MR-2-02	Network Trouble Report Rate (Loop)	2 wire digital	parity with retail POTS/Complex	occurrence	\$600	
		MR-2-02	Network Trouble Report Rate (Loop)	2 wire xdsl	parity with retail POTS/Complex	occurrence	\$600	
		MR-2-03	Network Trouble Report Rate (Central Office)	PLATFORM	parity with retail POTS/Complex	occurrence	\$600	
		MR-2-03	Network Trouble Report Rate (CO)	LOOP	parity with retail POTS/Complex	occurrence	\$600	
		MR-2-03	Network Trouble Report Rate (CO)	2 wire digital	parity with retail POTS/Complex	occurrence	\$600	
		MR-2-03	Network Trouble Report Rate (CO)	2 wire xdsl	parity with retail POTS/Complex	occurrence	\$600	
		MR-3-01	% Missed Repair Appt. (Loop)	PLATFORM	parity with retail POTS/Complex	occurrence	\$900	
		MR-3-01	% Missed Repair Appt. (Loop)	LOOP	parity with retail POTS/Complex	occurrence	\$900	
		MR-3-01	% Missed Repair Appt. (Loop)	2 wire digital	parity with retail POTS/Complex	occurrence	\$900	
		MR-3-01	% Missed Repair Appt. (Loop)	2 wire xdsl	parity with retail POTS/Complex	occurrence	\$900	

**Schedule 26.4  
Attachment A-5**

		<b>Metric #</b>	<b>Metric</b>	<b>Product</b>	<b>Standard</b>	<b>Pay per</b>	<b>\$</b>	<b>\$Cap</b>
UNE	Maintenance continued	MR-3-02	% Missed Repair Appt. (CO)	PLATFORM	parity with retail POTS/Complex	occurrence	\$900	
		MR-3-02	% Missed Repair Appt. (CO)	LOOP	parity with retail POTS/Complex	occurrence	\$900	
		MR-3-02	% Missed Repair Appt. (CO)	2 wire digital	parity with retail POTS/Complex	occurrence	\$900	
		MR-3-02	% Missed Repair Appt. (CO)	2 wire xdsl	parity with retail POTS/Complex	occurrence	\$900	
		MR-4-08	% OOS > 24 Hours	PLATFORM	parity with retail POTS/Complex	occurrence	\$900	
		MR-4-08	% OOS > 24 Hours	LOOP	parity with retail POTS/Complex	occurrence	\$900	
		MR-4-08	% OOS > 24 Hours	2 wire digital	parity with retail POTS/Complex	occurrence	\$900	
		MR-4-08	% OOS > 24 Hours	2 wire xdsl	parity with retail POTS/Complex	occurrence	\$900	
		MR-4-08	% OOS > 24 Hours	Specials	parity with retail tot. specials	occurrence	\$900	
		MR-5-01	% Repeat Reports w/in 30 Days	PLATFORM	parity with retail POTS/Complex	occurrence	\$900	
		MR-5-01	% Repeat Reports w/in 30 Days	LOOP	parity with retail POTS/Complex	occurrence	\$900	
		MR-5-01	% Repeat Reports w/in 30 Days	2 wire digital	parity with retail POTS/Complex	occurrence	\$900	
		MR-5-01	% Repeat Reports w/in 30 Days	2 wire xdsl	parity with retail POTS/Complex	occurrence	\$900	
		MR-5-01	% Repeat Reports w/in 30 Days	Specials	parity with retail tot. specials	occurrence	\$900	

**Schedule 26.4**  
**Attachment A-5**

		<b>Metric #</b>	<b>Metric</b>	<b>Product</b>	<b>Standard</b>	<b>Pay per</b>	<b>\$</b>	<b>\$Cap</b>
<b>Inter-Connection</b>	<b>Ordering</b>	OR-1-12	% On Time FOC (</= 192 Trunks)	CLEC Trunks	95% in 10 Days	occurrence	\$900	Low
		OR-2-12	% On Time Reject (</= 192 Trunks)	CLEC Trunks	95% in 10 Days	occurrence	\$900	Low
	<b>Provisioning</b>	PR-4-01	% Missed Appt. - BA - Total	CLEC Trunks	Parity with IXC FGD	occurrence	\$1,500	
		PR-5-03	% Orders Missed-Facilities > 60 Days	CLEC Trunks	Parity with IXC FGD	occurrence	\$1,500	
	<b>Maintenance</b>	MR-2-01	Network Trouble Report Rate (Total)	CLEC Trunks	Parity with IXC FGD	occurrence	\$900	
		MR-4-07	% OOS > 12 Hours	CLEC Trunks	Parity with IXC FGD	occurrence	\$1,500	
	<b>Blockage</b>	NP-1-04	# of Final Trunk Groups Blocked 3 Months	BA-CLEC Trunks	0	occurrence	\$1,500	High
<b>Collocation</b>	<b>Ordering</b>	NP-2-01	% On Time Response for Request	Physical	95%	occurrence	\$900	
		NP-2-02	% On Time Response for Request	Virtual	95%	occurrence	\$900	
	<b>Provisioning</b>	NP-2-05	% On Time Completion	Physical	95%	occurrence	\$1,500	
		NP-2-06	% On Time Completion	Virtual	95%	occurrence	\$1,500	

The remedy payments due from Verizon to AT&T shall not exceed the annual and monthly cap amounts set forth in this Attachment A-6.

**Annual Caps -- \$Thousands**

(Monthly Caps are 1/12<sup>th</sup> the annual amount)<sup>32</sup>

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<sup>32</sup>

The caps in this Attachment A-6 apply to Bell Atlantic's performance for all competitive local exchange carriers in the Bell Atlantic service area of Virginia, in the aggregate. Accordingly, the caps that apply to AT&T will be a percentage of the caps stated in this Attachment A-6 that is equal to the AT&T percentage of all UNE lines, Resale lines, and trunks, provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Virginia. For instance, the annual cap applicable to all competitive local exchange carriers in the Bell Atlantic service area of Virginia in Year 1 would be \$15,518,100. The monthly cap applicable to all competitive local exchange carriers in the Bell Atlantic service area of Virginia would be 1/12<sup>th</sup> of this amount, or \$1,293,175. If 10% of the UNE lines, Resale lines, and trunks, provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Virginia are provided to AT&T, the monthly cap applicable to AT&T would be 10% of \$1,293,175, or \$129,317.50 (i.e., the maximum amount that AT&T could receive under this Schedule 26.4 for the total monthly remedy payment would be \$129,317.50). For purposes of this calculation, UNE lines include UNE-Platform lines, UNE loops and UNE IOF, and Resale lines include Resale lines and Resale circuits. Trunks include trunks in service provided by Bell Atlantic to competitive local exchange carriers that are subject to measurement under any measure in this Attachment A. The number of lines and trunks in service used to calculate the cap will be based on the most recent lines and trunks in service data available at the time that the financial incentive calculation is performed.

The chart above sets out the annual and monthly caps that apply for the Bell Atlantic service area of Virginia. If this Schedule 26.4 is incorporated into an interconnection agreement for a service area other than the Bell Atlantic service area of Virginia (whether by agreement of the Parties, pursuant to a requirement of Applicable Law or Commission or FCC order, or otherwise), this

**Schedule 26.4**  
**Attachment A-6**

	<b>Year 1<sup>33</sup></b>	<b>Year 2</b>	<b>Year 3 and Beyond</b>
VA	\$15,518.1	\$23,275.3	\$31,032.5

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Schedule 26.4 automatically will be revised to adopt the annual and monthly caps applicable to such other service area under the Performance Assurance Plan set out in Appendix D, Attachment A of the Merger Order. A statement of these caps for the Verizon Bell Atlantic service areas as of the effective date is set out in Attachment A-8, End Note 2, attached.

<sup>33</sup> A Plan Year shall be deemed to be from April of one year through March of the next year. For purposes of determining the Annual and Monthly caps applicable under this Schedule 26.4, Year 1 shall be deemed to have commenced on April 1, 2001. However, Verizon shall have no obligation to provide measurement results or make remedy payments for any month prior to the first calendar month after the month in which this Agreement becomes effective.

**ATTACHMENT A-7**

**DESCRIPTION AND EXAMPLES OF FINANCIAL INCENTIVE CALCULATIONS**

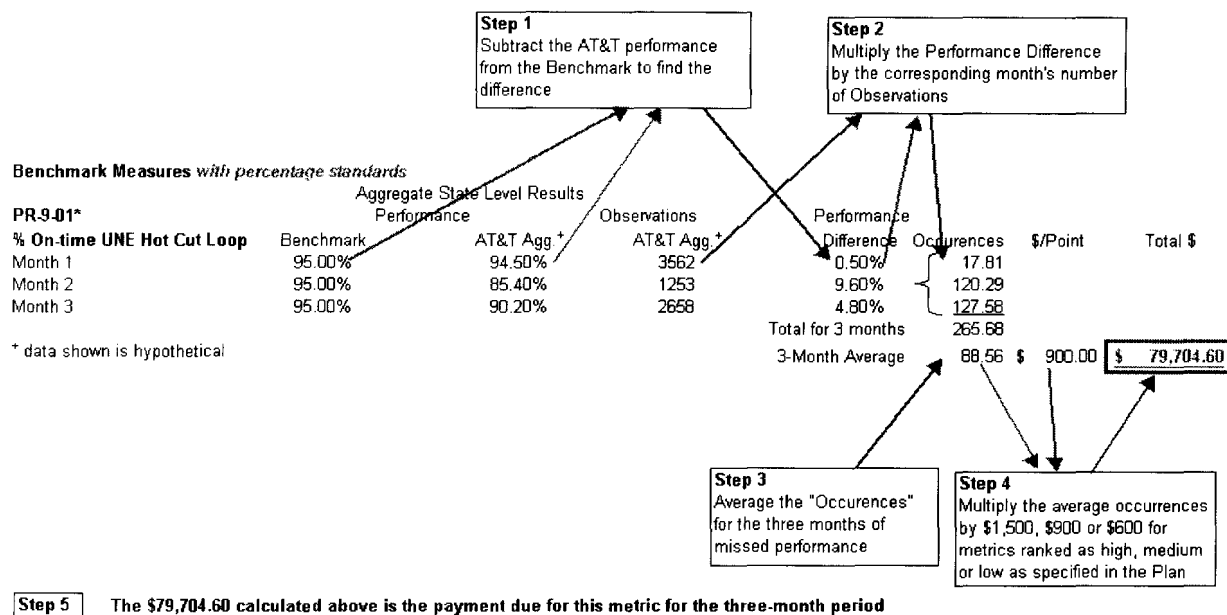
EXAMPLE NO. 1

ILLUSTRATION OF A PERFORMANCE ASSURANCE PLAN PAYMENT CALCULATION

Benchmark Measure With a Percentage Standard

Under the Performance Assurance Plan, if the standard for a measure is missed for three consecutive months, a payment will be due.<sup>34</sup> Below is an illustration of the payment calculation for a measure with a percentage benchmark standard for which the benchmark standard is missed for three consecutive months.

Performance Assurance Plan Hypothetical Payment Calculation for a Benchmark Measure



\* PR-9-01 % On-time Hot Cut Loop has a \$900 per occurrence payment with a benchmark standard of 95% in the Performance Assurance Plan

Payments under the Performance Assurance Plan can also be triggered if the standard for a measure is missed for 6 or more months out of the 12 months in a Plan Year. If this occurs, the 6 or more months are treated as if they were consecutive. For example, 6 misses in the 12 months of a Plan Year would generate 4 payments, 7 misses in the 12 months of a Plan Year would generate 5 payments, and 8 misses in the 12 months of a Plan Year would generate 6 payments.<sup>35</sup>

Example: If the standard for a metric is missed in the 7 months of April, May, July, September and October, 2002, and January and February, 2003, for payment purposes the measure would be treated as if the standard had been missed for 7 consecutive months. A calculation similar to that shown above would be performed for each of the 5 sets of 3 months as shown below:

<sup>34</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.1.

<sup>35</sup> See, Appendix A, Sections 3.1.1. and 3.1.1.2.

April, May, July  
May, July, September  
July, September, October  
September, October, January  
October, January, February



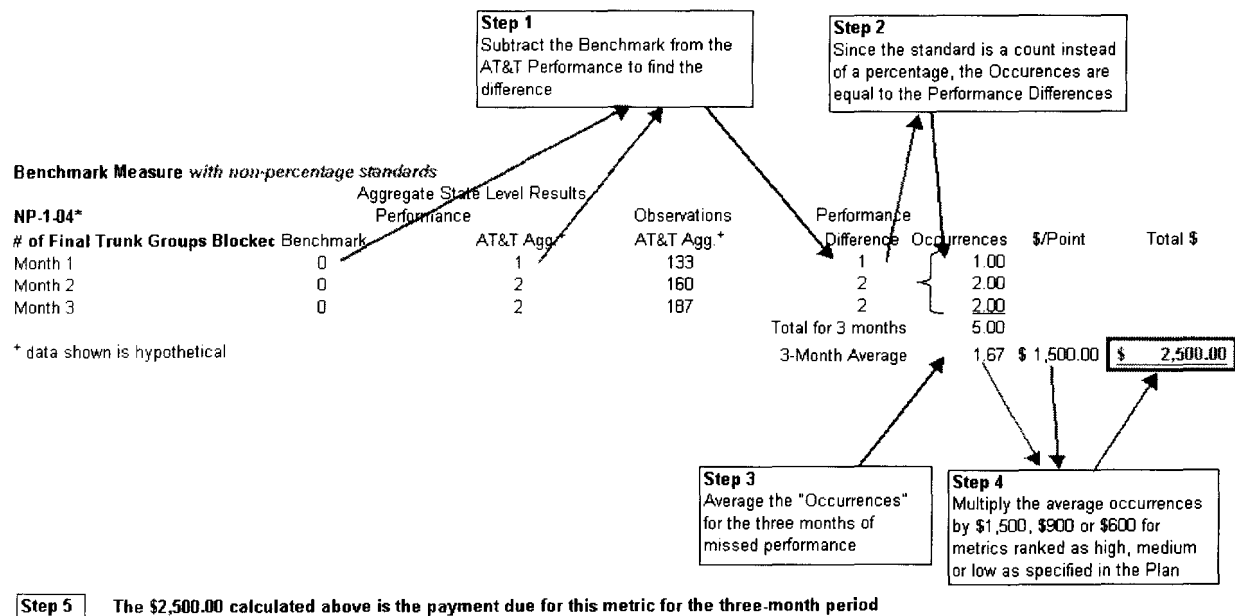
EXAMPLE NO. 2

ILLUSTRATION OF A PERFORMANCE ASSURANCE PLAN PAYMENT CALCULATION

Benchmark Measure With a Non-Percentage Standard

Under the Performance Assurance Plan, if the standard for a measure is missed for three consecutive months, a payment will be due.<sup>36</sup> Below is an illustration of the payment calculation for a measure with a non-percentage benchmark standard for which the benchmark standard is missed for three consecutive months.

Performance Assurance Plan Hypothetical Payment Calculation for a Benchmark Measure



\* NP-1-04 # of Final Trunk Groups Blocked 3 Months has a \$1,500 per occurrence payment with a benchmark standard of 0 in the Performance Assurance Plan

Payments under the Performance Assurance Plan can also be triggered if the standard for a measure is missed for 6 or more months out of the 12 months in a Plan Year. If this occurs, the 6 or more months are treated as if they were consecutive. For example, 6 misses in the 12 months of a Plan Year would generate 4 payments, 7 misses in the 12 months of a Plan Year would generate 5 payments, and 8 misses in the 12 months of a Plan Year would generate 6 payments.<sup>37</sup>

**Example:** If the standard for a metric is missed in the 7 months of April, May, July, September and October, 2002, and January and February 2003, for payment purposes the metric would be treated as if the standard had been missed for 7 consecutive months.

<sup>36</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.1.

<sup>37</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.2.

A calculation similar to that shown above would be performed for each of the 5 sets of 3 months as shown below:

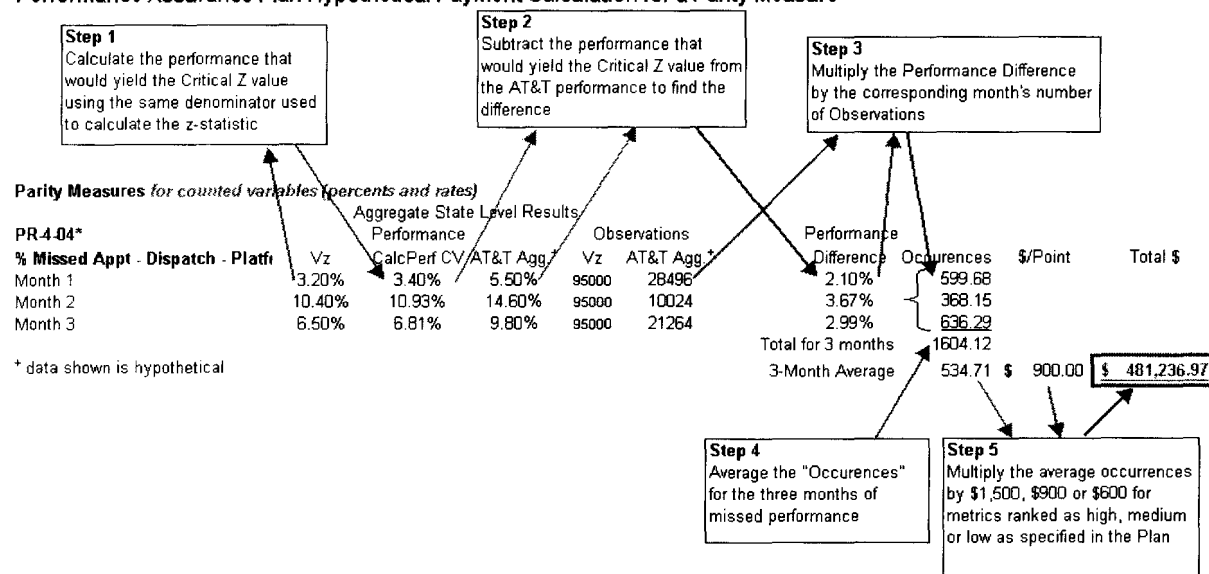
April, May, July  
May, July, September  
July, September, October  
September, October, January  
October, January, February

### EXAMPLE NO. 3

#### Illustration of a Performance Assurance Plan Payment Calculation Parity Measure for Percentages and Rates

Under the Performance Assurance Plan, if the standard for a measure is missed for three consecutive months, a payment will be due.<sup>38</sup> Below is an illustration of the payment calculation for a counted variable measure with a “parity” standard for which the standard is missed for three consecutive months.

##### Performance Assurance Plan Hypothetical Payment Calculation for a Parity Measure



**Step 6** The \$481,236.97 calculated above is the payment due for this metric for the three-month period

\* PR-4-04 % Missed Appointment - Dispatch - Platform has a \$900 per occurrence payment with a parity standard in the Performance Assurance Plan

Payments under the Performance Assurance Plan can also be triggered if the standard for a measure is missed for 6 or more months out of the 12 months in a Plan Year. If this occurs, the 6 or more months are treated as if they were consecutive. For example, 6 misses in the 12 months of a Plan Year would generate 4 payments, 7 misses in the 12 months of a Plan Year would generate 5 payments, and 8 misses in the 12 months of a Plan Year would generate 6 payments.<sup>39</sup>

**Example:** If the standard for a metric is missed in the 7 months of April, May, July, September and October, 2002, and January and February, 2003, for payment purposes the metric would be treated as if the standard had been missed for 7 consecutive months.

<sup>38</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.1.

<sup>39</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.2.

A calculation similar to that shown above would be performed for each of the 5 sets of 3 months as shown below:

April, May, July  
May, July, September  
July, September, October  
September, October, January  
October, January, February

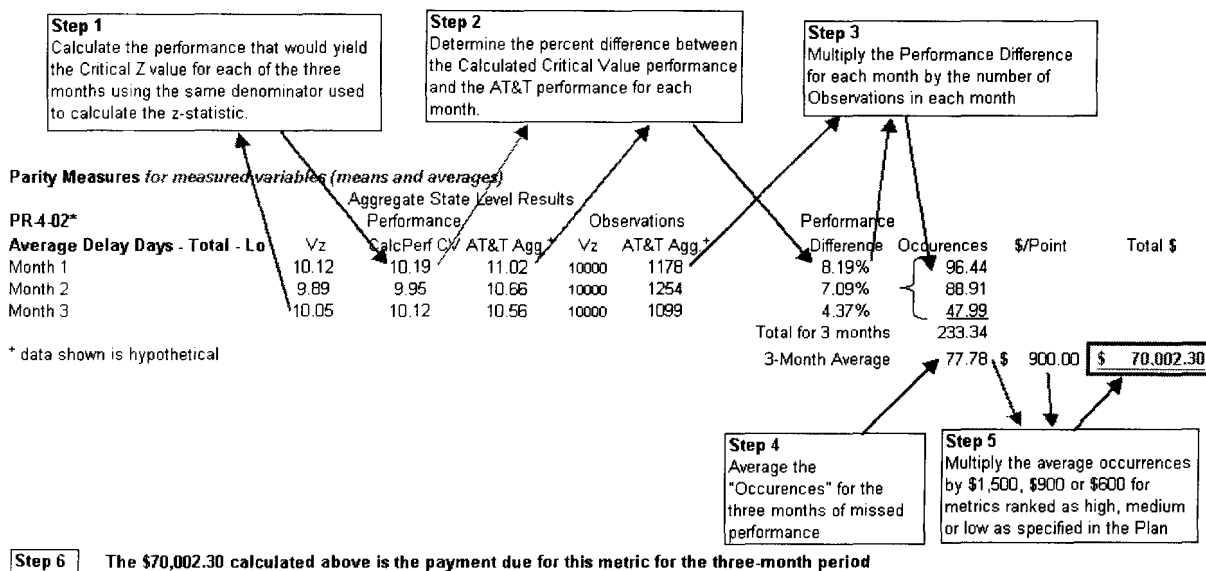
# EXAMPLE NO. 4

## ILLUSTRATION OF A PERFORMANCE ASSURANCE PLAN PAYMENT CALCULATION

### Parity Measure for Averages and Means

Under the Performance Assurance Plan, if the standard for a measure is missed for three consecutive months, a payment will be due.<sup>40</sup> Below is an illustration of the payment calculation for a measured variable metric with a “parity” standard for which the standard is missed for three consecutive months.

#### Performance Assurance Plan Hypothetical Payment Calculation for a Parity Measure



\* PR-4-02 Average Delay Days - Total - Loop has a \$900 per occurrence payment with a parity standard in the Performance Assurance Plan

Payments under the Performance Assurance Plan can also be triggered if the standard for a measure is missed for 6 or more months out of the 12 months in a Plan Year. If this occurs, the 6 or more months are treated as if they were consecutive. For example, 6 misses in the 12 months of a Plan Year would generate 4 payments, 7 misses in the 12 months of a Plan Year would generate 5 payments, and 8 misses in the 12 months of a Plan Year would generate 6 payments.<sup>41</sup>

Example: If the standard for a measure is missed in the 7 months of April, May, July,

<sup>40</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.1.

<sup>41</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.2.

September and October, 2002, and January and February, 2003, for payment purposes the metric would be treated as if the standard had been missed for 7 consecutive months. A calculation similar to that shown above would be performed for each of the 5 sets of 3 months as shown below:

April, May, July  
May, July, September  
July, September, October  
September, October, January  
October, January, February

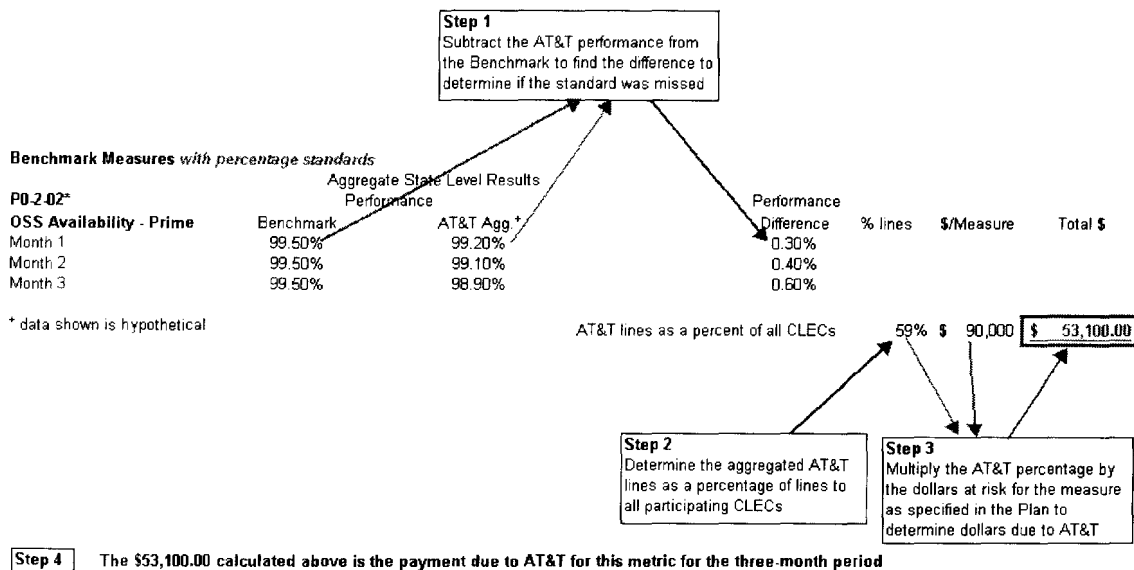
EXAMPLE NO. 5

ILLUSTRATION OF A PERFORMANCE ASSURANCE PLAN PAYMENT CALCULATION

Benchmark Measure With a Percentage Standard

Under the Performance Assurance Plan, if the standard for a measure is missed for three consecutive months, a payment will be due.<sup>42</sup> Below is an illustration of the payment calculation for a measure with a percentage benchmark standard for which the benchmark standard is missed for three consecutive months.

Performance Assurance Plan Hypothetical Payment Calculation for a Benchmark Measure



\* PO-2-02 OSS Availability - Prime in an "A" State has a \$90,000 per measure payment with a benchmark standard of 99.5% in the Performance Assurance Plan

Payments under the Performance Assurance Plan can also be triggered if the standard for a measure is missed for 6 or more months out of the 12 months in a Plan Year. If this occurs, the 6 or more months are treated as if they were consecutive. For example, 6 misses in the 12 months of a Plan Year would generate 4 payments, 7 misses in the 12 months of a Plan Year would generate 5 payments, and 8 misses in the 12 months of a Plan Year would generate 6 payments.<sup>43</sup>

Example: If the standard for a metric is missed in the 7 months of April, May, July, September and October, 2002, and January and February, 2003, for payment purposes the measure would be treated as if the standard had been missed for 7 consecutive months. A calculation similar to that shown above would be performed for each of the 5 sets of 3 months as shown below:

<sup>42</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.1.

<sup>43</sup> See, Appendix A, Sections 3.1.1. and 3.1.1.2.

April, May, July  
May, July, September  
July, September, October  
September, October, January  
October, January, February



**EXAMPLE NO. 6**

**Example Of The Incentive Calculations Where The 3-Month Rule And 6-Month Rule For Incentive Payments Are Applied Within The Same Plan Year**

The example below demonstrates how the 3-month rule<sup>44</sup> and the 6-month rule<sup>45</sup> interact when they are both applied within the same Plan Year.<sup>46</sup> In this example, the 3-month rule is triggered by standard misses in June, July and August. The resulting payment is made after the August performance is reported. When the 6-month rule is triggered in December, the Performance Assurance Plan calls for the months for which the standard was missed to be treated as if they were consecutive, and there would be a total of 4 payments under the Plan for the 6 misses within the Plan Year. Since a payment for June-July-August was made under the 3-month rule, a payment for June-July-August would not be due under the 6-month rule. Payments would be due under the 6-month rule only for April-June-July, July-August-October, and August-October-December. These payments would become due after the performance for December was reported.

<b>MONTH</b>	<b>Single month performance for a measure</b>	<b>3-Month Rule</b> 3 consecutive month miss	<b>6-MONTH RULE</b> 6 misses out of the 12 month Plan Year	<b>Incentive Payment Distributions</b>
April	Miss			
May	Pass			
June	Miss			
July	Miss		Incentive payment based on April-June-July results	Payment made under the 6-month rule after the December performance month is reported
August	Miss	Incentive payment based on June-July-August results	No additional incentive payment is due since it was already paid for these 3 months under the 3-month rule	Payment made under the 3-month rule after the August performance month is reported
September	Pass			
October	Miss		Incentive payment based on July-August-October results	Payment made under the 6-month rule after the December performance month is reported
November	Pass			
December	Miss		Incentive payment based on August-	Payment made under the 6-month rule after

<sup>44</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.1.

<sup>45</sup> See, Appendix A, Sections 3.1.1 and 3.1.1.2.

<sup>46</sup> See, Appendix A, Section 3.1.1.3.

**Schedule 26.4**  
**Attachment A-7**

			October-December results	the December performance month is reported
January	Pass			
February	Pass			
March	Pass			

END NOTE 1

**Per Measurement<sup>47</sup>/Per Occurrence<sup>48</sup> Caps**

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<sup>47</sup> The “Per Measurement” (“pay per measure”) amounts set out in this Attachment A-8 apply to Bell Atlantic’s performance for all competitive local exchange carriers in the applicable service area, in the aggregate. Accordingly, for Metrics PO-1, PO-2 and BI-2, the Per Measurement amount that applies to AT&T for a measure for each service area will be a percentage of the applicable Per Measurement amount stated in this Attachment A-8 that is equal to the AT&T percentage of all UNE and Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the service area. For Metric OR-5-01, “% Flow Through Total,” “All Resale,” the Per Measurement amount that applies to AT&T for a measure for each service area will be a percentage of the applicable Per Measurement amount stated in this Attachment A-8 that is equal to the AT&T percentage of all Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the service area. For Metric OR-5-01, “% Flow Through Total,” “All UNE,” the Per Measurement amount that applies to AT&T for a measure for each service area will be a percentage of the applicable Per Measurement amount stated in this Attachment A-8 that is equal to the AT&T percentage of all UNE lines provided by Bell Atlantic to all competitive local exchange carriers in the service area.

For instance, for Metric PO-1-01, “OSS Resp. Time – CSR,” “EDI,” if 10% of the UNE and Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Maryland (a “Measurement Group A” state) are provided to AT&T, the Per Measurement amount applicable to AT&T for this measure (a “Low” measure) would be 10% of \$60,000, or \$6000. Similarly, for Metric BI-2-01, “Timeliness of Carrier Bill,” if 30% of the UNE and Resale lines provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Maryland (a “Measurement Group A” state) are provided to AT&T, the Per Measurement amount applicable to AT&T for this measure (a “Low” measure) would be 30% of \$60,000, or \$18,000.

For purposes of this calculation, UNE lines include UNE-Platform lines, and all types of UNE loops and UNE IOF, and Resale lines include Resale lines and Resale circuits. The number of lines in service used for the financial remedy calculation will be based on the most recent lines in service data available at the time the calculation is performed. Notwithstanding anything else in this Schedule 26.4, AT&T shall be eligible for payments only with respect to “Per Measurement” measures for which there is measured AT&T activity (for example, if AT&T has no CORBA transactions, it would not be eligible for a payment with respect to any of the PO-1 or PO-2 measures that measure CORBA performance).

<sup>48</sup> The “Per Occurrence Caps” in this Attachment A-8 apply to Bell Atlantic’s performance for all competitive local exchange carriers in the applicable service area, in the aggregate. Accordingly, for “per occurrence with a cap” measures, the cap that applies to AT&T for each measure in each service area will be a percentage of the applicable cap stated in this Attachment A-8 that is equal to the AT&T percentage of the measured observations for the measure for all competitive local exchange carriers in the service area, for the three month remedy calculation period.

For example, for Metric OR-1-02, “% On Time LSRC – Flow Through,” “Resale POTS” (a “Low” per occurrence with a cap measure), if 10% of all LSRs measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Maryland (a “Measurement Group A” state) for the three month remedy calculation period were AT&T LSRs, the cap applicable to AT&T would be 10% of \$60,000, or \$6000. Similarly, for Metric OR-1-02, “% On Time LSRC – Flow Through,” “UNE Platform” (a “Low” per occurrence with a cap measure) if 35% of all LSRs measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Maryland (a “Measurement Group A” state) for the three month remedy calculation period were AT&T LSRs, the cap applicable to AT&T would be 35% of \$60,000 or \$21,000. For Metric OR-1-12, “% On Time FOC (<=

**Schedule 26.4**  
**Attachment A-7**

Measurement Group	A	B	C
High	\$225,000	\$75,000	\$20,000
Medium	\$90,000	\$30,000	\$10,000
Low	\$60,000	\$20,000	\$5,000

A = States with 1,000,000 or more access lines

B = States with between 500,000 and 999,999 access lines

C = States with < 500,000 access lines

A	Bell Atlantic Service Area: Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Virgin
B	Bell Atlantic Service Area: District of Columbia, Delaware, Maine, New Hampshire, Rhode Island, Virginia
C	Bell Atlantic Service Area: Connecticut, Vermont

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192 Trunks), "CLEC Trunks" (a "Low" per occurrence with a cap measure), if 10% of all trunk ASRs measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Maryland (a "Measurement Group A" state) for the three month remedy calculation period were AT&T trunk ASRs, the cap applicable to AT&T would be 10% of \$60,000, or \$6000. Finally, for Metric NP-1-04, "# of Final Trunk Groups Blocked 3 Months," "BA-CLEC Trunks" (a "High" per occurrence with a cap measure), if 50% of the trunk groups measured by this measure for all competitive local exchange carriers in the Bell Atlantic service area of Maryland (a "Measurement Group A" state) for the three month remedy calculation period were AT&T trunk groups, the cap applicable to AT&T would be 50% of \$225,000, or \$112,500.

## END NOTE 2

### Annual Caps -- \$Thousands

(Monthly Caps are 1/12<sup>th</sup> the annual amount)<sup>49</sup>

	Year 1	Year 2	Year 3 and Beyond
CT	\$239.4	\$359.1	\$478.8
DC	\$4,148.4	\$6,222.1	\$8,295.7
DE	\$2,460.5	\$3,690.5	\$4,920.5
MA	\$19,799.4	\$29,696.6	\$39,593.9
MD	\$16,249.7	\$24,372.6	\$32,495.5
ME	\$3,014.5	\$4,521.4	\$6,028.2
NH	\$3,421.6	\$5,132.0	\$6,842.4
NJ	\$27,845.6	\$41,764.9	\$55,684.3
NY	\$51,441.4	\$77,155.9	\$102,870.3
PA	\$28,088.3	\$42,129.1	\$56,169.8
RI	\$2,884.4	\$4,326.2	\$5,768.0
VA	\$15,518.1	\$23,275.3	\$31,032.5
VT	\$1,497.9	\$2,246.6	\$2,995.4
WV	\$3,669.3	\$5,503.5	\$7,337.7

<sup>49</sup>

The caps in this Attachment A-8 apply to Bell Atlantic's performance for all competitive local exchange carriers in the applicable service area, in the aggregate. Accordingly, the caps that apply to AT&T for each service area will be a percentage of the caps stated in this Attachment A-8 that is equal to the AT&T percentage of all UNE lines, Resale lines, and trunks, provided by Bell Atlantic to all competitive local exchange carriers in the service area. For instance, the annual cap applicable to all competitive local exchange carriers in the Bell Atlantic service area of Maryland in Year 1 would be \$16,249,700. The monthly cap applicable to all competitive local exchange carriers in the Bell Atlantic service area of Maryland would be 1/12<sup>th</sup> of this amount, or \$1,354,141.67. If 10% of the UNE lines, Resale lines, and trunks, provided by Bell Atlantic to all competitive local exchange carriers in the Bell Atlantic service area of Maryland are provided to AT&T, the monthly cap applicable to AT&T would be 10% of \$1,354,141.67, or \$135,414.17 (i.e., the maximum amount that AT&T could receive under this Schedule 26.4 for the total monthly remedy payment would be \$135,414.17). For purposes of this calculation, UNE lines include UNE-Platform lines, UNE loops and UNE IOF, and Resale lines include Resale lines and Resale circuits. Trunks include trunks in service provided by Bell Atlantic to competitive local exchange carriers that are subject to measurement under any measure in this Attachment A. The number of lines and trunks in service used to calculate the cap will be based on the most recent lines and trunks in service data available at the time that the financial incentive calculation is performed.